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RUEHMO/AMEMBASSY MOSCOW PRIORITY 4061
RUEHFR/AMEMBASSY PARIS PRIORITY 1007
RUEHSM/AMEMBASSY STOCKHOLM PRIORITY 3421
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RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0092

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TAGS: [ENRG](#) [UEU](#) [KNNP](#) [IAEA](#) [KU](#) [NO](#) [AE](#) [SW](#)
SUBJECT: NORWAY COUNSELS THE NEED TO PROMOTE THE IAEA
NUCLEAR FUEL BANK AMONG NON-ALIGNED COUNTRIES

REF: SECSTATE 83455

Classified By: Acting Deputy Chief of Mission Cherrie Daniels for reasons 1.4(b) and (d)

¶1. (C) Summary: In discussions about the Nuclear Fuel Bank with Norway's Ambassador for Disarmament Affairs, the official emphasized the hesitance of Non-Aligned Movement (NAM) countries and offered his counsel that Fuel Bank supporters such as the U.S. and Norway must present the proposal "attractively" to these countries to overcome their reticence. End Summary.

¶2. (C) In discussions on August 14, poloff presented reftel points on the Nuclear Fuel Bank to Knut Langeland, Ambassador for Disarmament Affairs at the Norwegian Ministry of Foreign Affairs (MFA). Norway had confirmed it would contribute \$5 million to the Fuel Bank at the IAEA Board of Governors meeting in March 2009.

¶3. (C) Langeland said that "Norway considers the Fuel Bank as one key part of the whole picture of the nuclear fuel cycle architecture," but said that NAM countries are still hesitant to accept it because there is a perceived threat to their rights under Article IV of the Nuclear Non-Proliferation Treaty (NPT). Langeland pointed to a statement he said was made by the Brazilian Ambassador to the IAEA that the Nuclear Fuel Bank is "a solution to a problem that does not exist." Langeland believes that the main challenge is to convince NAM countries of its usefulness. The argument, he counseled, must be phrased in terms of (a) a cost/benefit analysis in which there is (b) no need to invest in fuel production equipment/technology, and (c) no need to import raw uranium. Langeland added that safely and securely returning spent fuel to the country of origin was also of vital importance to the operation of the Fuel Bank.

¶4. (C) Langeland emphasized that "it's all in how we present the argument." For example, requiring countries to meet IAEA comprehensive safeguards and the Additional Protocol "will never fly" in this context, in his estimation. He pointed out that Nuclear Suppliers Group (NSG) countries themselves can't even agree on that level of safeguard. Furthermore, "what is important is that we present the Fuel Bank as not 'constraining' Article IV, but as making more use of Article IV." He continued, "What some think we are talking about here is the IAEA 'legitimizing' the existing market consortium for Nuclear Fuel, and that's what's scary to NAM countries." Brazil and Argentina, he pointed out, present a counterexample with their regional arrangement, and the perception that we would "freeze the existing structure of

production" is what gives NAM countries pause.

15. (C) Langeland closed by noting that Norway has exhibited the strongest support for a multilateral nuclear fuel cycle solution, mentioning that it was the only country in 2005 to support Mohamed El Baradei's proposal to bar new countries from creating new production capacity.

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